



**TESTIMONY PRESENTED TO THE
SENATE FINANCE COMMITTEE**

**SENATE BILL 709 –
ECONOMIC DEVELOPMENT – MARYLAND TECHNOLOGY
INFRASTRUCTURE PILOT PROGRAM - ESTABLISHMENT**

POSITION: SUPPORT

MARCH 16, 2021

The Maryland Technology Development Corporation (TEDCO) is dedicated to economic growth through the fostering of an inclusive entrepreneurial and innovation ecosystem. TEDCO discovers, invests in, and helps build great Maryland based technology companies.

Senate Bill 709, representing one of 14 recommendations from the Task Force for the Economic Future of Western Maryland, provides a framework to build on the existing strengths of Western Maryland while mapping an economic future consistent with the goals of the Task Force. In its interim report, the Task Force examines the economic strengths of the region. The report notes that within the top ten clusters in Western Maryland, many of the sectors relate to manufacturing. Manufacturing is a target industry in each of the county's economic development plans. Further, the report suggests that "when considering strategies for economic development in Western Maryland, policy proposals that encourage the formation and success of new and small businesses can help increase economic dynamism in the region".

The purpose of the bill's program is to incentivize projects that support the innovation economy and the growth, attraction, and retention of innovation-based businesses in Western Maryland through the creation of supportive advanced manufacturing infrastructure. Senate Bill 709 is based, in part, on recommendations of the Excel Maryland Steering Committee, convened by the Administration in 2017 and 2018. The steering committee concluded that for Maryland to remain competitive, it must invest in large-scale innovation infrastructure projects that capitalize on the State's assets while building a density of new economic activity. The bill would provide a valuable economic development tool for Western Maryland and it would serve as road map for potential expansion to a statewide effort. The bill also provides appropriate oversight mechanisms for the program including the appointment of an Authority to oversee award decisions; the establishment of specific criteria each project must meet; limitations on the size of awards; and reporting requirements.

The pilot program established by the bill would also build on TEDCO's existing Rural Business Innovation Initiative which provides funding and advisory services to early-stage technology companies in the rural regions of Maryland. The pilot program would incentivize the development of the advanced technology manufacturing infrastructure necessary to scale those early-stage companies to the next phase of growth. It ensures that the investment in early-stage ventures provides long-term returns to Maryland by ensuring that those young companies remain, prosper, and grow in Maryland.

For these reasons, TEDCO encourages a favorable report on Senate Bill 709.